

year to the Senate and when it does, I believe that we have no choice but to pass it. Our values as a nation will allow for no less.

I thank the distinguished Chair. I yield the floor.

INCREASING THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. Under the previous order, the clerk will report S. 2578 by title.

The legislative clerk read as follows:

A bill (S. 2578) to amend title 31 of the United States Code to increase the public debt.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read for the third time, the question is, Shall the bill pass?

Mr. KERRY. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS), the Senator from Missouri (Mr. BOND), and the Senator from Idaho (Mr. CRAPO) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 29, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—68

Akaka	Edwards	Miller
Allen	Feinstein	Murkowski
Baucus	Frist	Murray
Bennett	Grassley	Nelson (FL)
Biden	Gregg	Nelson (NE)
Bingaman	Hagel	Nickles
Boxer	Hatch	Reed
Breaux	Hutchinson	Reid
Brownback	Hutchison	Roberts
Bunning	Inouye	Rockefeller
Burns	Jeffords	Santorum
Byrd	Johnson	Sarbanes
Cantwell	Kennedy	Schumer
Carnahan	Kerry	Snowe
Cleland	Kohl	Specter
Cochran	Landrieu	Stevens
Collins	Leahy	Thomas
Craig	Levin	Thompson
Daschle	Lieberman	Thurmond
DeWine	Lott	Voinovich
Dodd	Lugar	Wellstone
Domenici	McConnell	Wyden
Durbin	Mikulski	

NAYS—29

Allard	Ensign	Lincoln
Bayh	Enzi	McCain
Campbell	Feingold	Sessions
Carper	Fitzgerald	Shelby
Chafee	Graham	Smith (NH)
Clinton	Gramm	Smith (OR)
Conrad	Harkin	Stabenow
Corzine	Hollings	Torricelli
Dayton	Inhofe	Warner
Dorgan	Kyl	

NOT VOTING—3

Bond	Crapo	Helms
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The bill (S. 2578) was passed, as follows:

S. 2578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN PUBLIC DEBT LIMIT.

Subsection (b) of section 3101 of title 31, United States Code, is amended by striking “\$5,950,000,000,000” and inserting “\$6,400,000,000,000”.

Mr. REID. Madam President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Ms. CANTWELL. Madam President, I rise today to offer my support for increasing the federal debt ceiling by \$450 million. This is a difficult issue and I well understand that we need to raise the debt ceiling. We have troops conducting military operations overseas. We are working here at home to address critical national security needs. But if we hadn't acted today, the United States would have been on the verge of defaulting on its debt for the first time in history. This is unacceptable.

However, now that we have voted to raise our debt limit, we must begin an honest and open debate about why we are having this vote. I want to make it crystal clear that I believe we need to extend the budget enforcement procedures and establish reasonable discretionary spending caps as soon as possible.

At the beginning of last year, the Congressional Budget Office projected a ten-year surplus of \$5.6 trillion and the debt ceiling seemed to be high enough to last through fiscal year 2008. That all changed, however, as the projected big surpluses first started to decline last year and then dramatically changed into a \$2.7 trillion deficit. We know that the current deficit is the result of last year's tax cut, the recession, and the tragic events of September 11, 2001.

One of the most important actions we can take for the nation's future economic stability is to pay down the national debt. According to Chairman of the Federal Reserve Board, Alan Greenspan, paying down the national debt lowers interest rates and keeps the capital markets and investment going. In January, he told the Senate Budget Committee that one of the reasons long-term rates have not come down is the sharp decrease in the surplus and the diminishing prospects for paying down the debt.

I want to make it clear that the change in our fiscal situation has driven estimated federal interest costs higher: CBO has boosted its projection of federal interest costs in 2002 through 2011 from just over \$600 billion a year ago to \$1.6 trillion. The dramatic downturn in the federal budget will force taxpayers to pay \$1.2 trillion more in debt payments, money that could have been used to invest in additional defense, homeland security, education, and job training.

Our total budget must be crafted within the need to maintain fiscal dis-

cipline, and stimulate economic growth through continued federal investment in education and job training, while also protecting the environment. Furthermore, we need to invest in our nation's economic future by making a commitment to public research and development in science and technology—maintaining our status as a global leader.

It is a balance. We must make these investments to secure our country. But we must do so within a framework that ensures we don't spend beyond our means. If we want our economy to be strong, if we want revenues, and if we want to make the right decisions, we need to keep paying down the debt.

Having spent time in the private sector, I can tell you this: No private sector organization thinks it can spend its way out of programs; nor can we as a country. This is why I supported and cosponsored the Gregg-Feingold Budget Enforcement Amendment last week—and why I will continue to work with my colleagues on extending the pay-as-you-go budget enforcement procedures as well as setting up reasonable discretionary spending limits.

Some voted against this debt limit increase today because it had not been paired with procedures for a fiscally disciplined framework. I certainly empathize with that position. We are in tough times. And tough times force us to make tough decisions. Today's vote was one of them.

Mr. CONRAD. Madam President, I voted against S. 2578, a bill that would increase the public debt limit by \$450 billion.

I support taking action to increase the debt limit, in order to protect the full faith and credit of the U.S. government. Frankly, we have no choice but to raise the limit. The United States must pay its bills. What I cannot support, however, is increasing the limit without also putting in place procedures for arresting this dramatic downturn in our nation's fiscal health.

I want to provide a little background on how we arrive at this juncture. You might remember that a little over a year ago, when the Bush administration submitted its first budget, we were told that, even with the enactment of the President's proposed tax cut, we would not hit the Federal debt limit until 2008. By August, with the tax cut enacted, the administration acknowledged it was wrong and that we would actually hit the debt limit in 2004. By December, that estimate was moved up again, with the Treasury Secretary admitting the debt limit would be reached within months and pleading with Congress to raise the limit so that the United States wouldn't default on its financial obligations.

And, I should not, the administration didn't just request a small debt limit increase. It requested a \$750 billion increase, which would constitute the second largest one-time increase ever surpassed only by the \$915 billion increase

signed into law by the President's father during his term in office, in November 1990.

That dramatic turnaround in events followed a period of rapidly falling deficits in the 1990s and 4 years of surpluses. In total, as a result of the fiscal discipline put in place in the 1990s, we paid down \$400 billion of publicly-held debt and were on the path to eliminate our debt in preparation for the retirement of the baby boom generation. What a sad turn of events we now face today.

It is imperative that we find a way out of this mess. Last week, we were close in the Senate on adopting a bipartisan deal to restore budget discipline and prevent us from digging the hole any deeper. That deal would have extended PAYGO and the Budget Act points of orders, and set a cap on discretionary spending for 2003. Unfortunately, our Republican colleagues blocked its consideration. It seems that many in this chamber are still in denial about the dire position we find ourselves in today as a result of last year's tax cut, the brutal attacks on this nation last September, and the slowdown in the economy.

Let me state again that the Congress has an obligation to ensure that the government avoids default, an event that would have severe consequences for our financial markets and for the government's cost of borrowing funds. However, I feel just as strongly that we should either have passed a much smaller increase—in the range of \$100 billion to \$200 billion—or passed the current bill in conjunction with the adoption of bipartisan budget measures that would help us stop the fiscal bleeding and return the budget to a path of balance. Simply increasing the debt limit does nothing to force the President and this Congress to deal with the very real fiscal problems we now face today, problems that will only worsen as the baby boomers begin retiring over the next decade. I feel we missed a great opportunity today to adopt those measures as part of the increase in the public debt limit.

Mr. DORGAN. Madam President, today the Senate voted to increase the debt limit by \$450 billion. I agree with many of my colleagues that raising the debt limit is the responsible thing to do. We must protect the full faith and credit of the United States government and we are dangerously close to debt limit. The Department of Treasury has already used extraordinary measures to avoid a default. The time for action is now.

However, I also believe that we must put pressure on the Congress and the Administration to find solutions to our budget problem. We must work together to restore fiscal discipline to the Federal government. The bill approved by the Senate would raise the debt limit by \$450 billion which will provide sufficient funds for the government to operate through next spring. I opposed this increase. I would have

supported a smaller increase in the debt limit—\$150 billion, for example—that would prevent a default but would force an agreement on our budget issues this fall. It would have given us leverage to force a solution to our budget problems.

The debt limit must be raised. It is the responsible thing to do. However, a smaller increase would have kept the pressure on the Congress and the Administration to come to agreement on a long term solution to put our fiscal policy back in touch and develop a plan to eliminate our budget deficits.

Mr. HATCH. Madam President, as a longtime proponent of a balanced budget amendment to the Constitution, I rise to speak concerning S. 2578. While we are told that this bill will increase the Nation's debt limit, what we really voted on today was whether to keep the statutory commitment that Congress has made to the Social Security trust fund.

Social Security's current surplus is the main reason we need to raise the debt limit. Every single dollar of that surplus goes into the Social Security trust fund, and by law, every single dollar of the trust fund counts as part of the total Federal debt. Social Security is expected to run a \$160 billion surplus this year, with an even higher surplus next year. Ironically, in order to place that surplus in the Social Security trust fund, the law requires us to increase the debt limit. Only in Washington, DC, can running a surplus increase your level of debt.

Of course, the debt that is included in the Social Security trust fund is just money that the Treasury owes to itself. What really matters for the Government's budget and for the U.S. economy as a whole is the amount of debt held by the general public. Over the last few years, as a Republican Congress put the brakes on spending, debt held by the public actually fell, lowering the amount of money our Government had to spend on interest payments. However, the war on terrorism, our current recession, and Congress's recent extravagant spending have combined to increase the public debt over the past year. While it is important for Congress to meet its statutory responsibilities to the Social Security trust fund by increasing the debt limit, it is even more important that Congress get its fiscal house in order by working to cut discretionary spending and restore the economy's health.

Time to act on the debt limit is running out. In fact, the Secretary of the Treasury says that the main reason he has called June 28 the "drop-dead" date for raising the debt limit is because on that day, Treasury is scheduled to make a large payment into the Social Security trust fund. I am pleased that the Senate voted to raise the debt limit today, and we can get a final bill to the President for his signature.

Finally, now that we have voted on this wartime increase in the debt limit,

I hope that Congress enacts tough budget caps, strong limits on discretionary spending, and productivity-enhancing legislation so we can bring our budget back into balance and restore the American economy to its full potential.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that at 2:15 p.m. today, the Senate proceed to a period for morning business until 3:15 p.m., with Senators permitted to speak for up to 10 minutes each; that at 3:15 p.m., the Senate proceed to the consideration of H.R. 8 under the parameters of the unanimous consent agreement of April 23, 2002.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. And I will not object, although I have an inquiry I need to make and I will probably ask consent as a result of that.

We need to go to the Defense authorization bill. That should be our first issue before anything else. I have made the points that we have not done a budget resolution and there is nothing more important than the defense of our country and that we need to go to the Defense authorization bill.

I know there was an agreement entered into on this death tax issue, and I think we should go to it as soon as possible. But I inquire about what is the plan with regard to the Defense authorization bill. I note that S. 2514, the Defense authorization bill, is on the calendar and was reported May 15.

Under my reservation, can I get some information about what is the plan with regard to the Defense authorization bill?

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, as the distinguished Republican leader and I discussed a few minutes ago, the plan is certainly to take up the Defense authorization bill prior to the time we leave for the July 4 recess. That has always been my intention. I have indicated that on several occasions to the Republican leader and to others, and that certainly is my intention again today. We know it will take some time. Senators have expressed an interest in offering some amendments to the bill, and they are in some cases not quite ready yet to go to the bill as they are examining amendment options.

In the meantime, we want to also fulfill our obligation to Senators on the estate tax. We made that commitment some time ago, and we are hoping to do that. We are also talking to the Senator from Kansas, the Senator from California, and others about the cloning-stem cell research debate. We are hoping we can get a unanimous consent agreement to do that on Friday of this week and Monday.